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ALASKA ECONOMIC TRENDS

The Trends 50
Alaska's Largest Private Employers in 1988

Oil Spill Causes an Upward Revision in Employment Forecast

ALASKA DEPARTMENT OF LABOR STEVE COWPER, GOVERNOR

ALASKA ECONOMIC
TRENDS

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The Trends 50-1988: Alaska's 50 Largest Private Employers

By Neal Fried and Holly Stinson

The Trends 50, Alaska's 50 largest private employers, are a diverse group. (see Table 1.) They represent employers such as Union Oil of California, which shows up in the nation's Fortune 500 Group, along with the Salvation Army, a social service agency. Their size varies from Atlantic Richfield (ARCO) with 2,774 employees to Our Lady of Compassion Care Center with 315 employees. Every industry in the private sector except construction is represented in the Trends 50.

Employers Enjoyed 3% Growth in 1988

In 1988 the Trends 50 employers had a better year, employment-wise, than in 1987. Collectively, their employment forged ahead by 3% after experiencing a 2% decline in 1987. Their recovery was more robust than Alaska's overall employment picture which grew by only 1% in 1988.

Trends 50 Employ More than 31,500

Although they represent less than 1% of all the employers in the state, the Trends 50 are a dominant force on Alaska's employment scene. On an annual basis, Alaska's 50 largest private firms employ a total of 31,871 employees. They are responsible for 22% of the private sector wage and salary jobs. If Alaska's government jobs were included, the Trends 50 would still represent 15% of all wage and salary employment.

Alaska's 50 largest private firms employ a total of 31,871 employees.

Trends 50 Pay More Than The Average Employer

Since Alaska's largest firms account for 22% of private sector jobs, it might be assumed that they account for a similar percentage of private sector payroll. However,the Trends 50's total payroll is an even higher share because their wages tend to be above average. In 1988, the Trends 50's $1.1 billion payroll represented 29% of all private sector wages. Likewise, adding in the government sector, their share of total payroll was proportionately higher (18%) than their share of the jobs (15%). The Trends 50's share of employment and wages has remained relatively stable over the past three years.

Most Large Employers Are Not Alaskan-Owned or Alaska-Based

A majority (32) of the Trends 50 employers are not locally based or owned. For example, BP Exploration's U.S. headquarters are in Cleveland, but they have operations worldwide. Carr-Gottstein and VECO Inc. are the only locally-based companies represented in the top five. However, the size of locally-owned and locally-based firms varies considerably as Table 2 attests.

Anchorage Is Usually Home Base . . .

Thirty-seven of the largest employers have either their Alaska headquarters or their largest site in Anchorage. All of the retail companies, financial institutions, oil firms, and transportation companies are headquartered in Anchorage. Five of the state's largest employers involved in the timber and fishing industries are headquartered in Southeast. There is a sprinkling of others in such geographically

Table 1

Alaska Economic Trends
ALASKA'S TOP 50 EMPLOYERS
(Based on 1988 average employment)

1988 Rank	1987 Rank	Firm and Headquarters or Largest Site (Business Activity)	1988 Average Employment
1	1	ARCO Alaska Inc., Anchorage *Oil & Gas Production*	2,774
2	2	Carr-Gottstein Inc., Anchorage *Retail-grocery*	2,378
3	3	Providence Hospital, Anchorage *Hospital*	1,650
4	4	BP Exploration Inc., Anchorage *Oil & Gas Production*	1,375
5	6	VECO Inc., Anchorage *Oil Field Services*	1,003
6	7	Safeway Stores Inc., Anchorage *Retail-grocery*	932
7	10	National Bank of Alaska, Anchorage *Banking*	926
7	tie 5	Lutheran Hospital & Homes Society, Fbks *Health Care*	926
9	8	Alyeska Pipeline Service Co., Anchorage *Pipeline*	891
10	12	Ketchikan Pulp Mill, Ketchikan *Pulp & Lumber Products*	862
11	9	Alascom Inc., Anchorage *Telephone Communications*	822
12	11	Alaska Airlines Inc., Anchorage *Air Carrier*	803
13	18	Trident Seafood Corp., Dutch Harbor *Seafood Processing*	750
14	14	MarkAir, Anchorage *Air Carrier*	698
15	*	Westmark Hotels Inc., Anchorage *Hotel*	666
16	19	Icicle Seafoods Inc., Petersburg *Seafood Processing*	653
17	13	1st Nat. Bank of Anchorage, Anchorage *Banking*	628
18	17	Humana Hospital Alaska Inc., Anchorage *Hospital*	595
19	20	Fred Meyer Shopping Centers, Anchorage *Retail-general merchandise*	582
20	15	Alaska USA Fed. Credit Union, Anchorage *Credit Union*	540
21	22	Sears, Roebuck & Co., Anchorage *Retail-general merchandise*	494
22	24	Nordstrom Inc., Anchorage *Retail-general merchandise*	489
23	*	Alliance Bank, Anchorage *Banking*	468
24	23	Union Oil Co. of California, Anchorage *Oil & Gas*	453
25	39	International Seafoods of Alaska, Kodiak *Seafood Processing*	445
26	27	J. C. Penney Co., Anchorage *Retail-general merchandise*	435

continued page 3

Table 1

continued from page 2

Alaska Economic Trends

ALASKA'S TOP 50 EMPLOYERS
(Based on 1988 average employment)

1988 Rank	1987 Rank	Firm and Headquarters or Largest Site (Business Activity)	1988 Average Employment
27	30	Alaska Pulp Corporation, Sitka *Pulp & Lumber Products*	425
28	37	Tanana Chiefs Conference Inc., Fairbanks *NonProfit Services*	400
29	40	Salvation Army Alaska Division, Anchorage *NonProfit Services*	398
30	*	Klukwan Forest Products, Juneau *Logging*	397
31	36	Alaska Commercial Company, Anchorage *Retail-general merchandise*	380
32	*	ERA Aviation Inc., Anchorage *Air Carrier*	379
33	34	Captain Cook Hotel, Anchorage *Hotel*	378
34	33	Anchorage Daily News, Anchorage *Newspaper*	374
35	35	Burger King, Anchorage *Retail-eating establishments*	371
36	31	Lamonts Inc., Anchorage *Retail-apparel*	369
37	29	Felec Services Inc., Fairbanks *Radar Station Operator*	364
38	*	Yukon Kuskokwim Health Corp., Bethel *Health Care*	363
39	21	Sea Land Freight Services, Anchorage *Truck & Warehousing*	362
40	41	Dynair Service Inc.**, Anchorage *Transportation Service*	352
41	*	North Pacific Processors, Cordova *Seafood Processing*	348
42	38	Anchorage Times Publishing, Anchorage *Newspaper*	343
43	45	Wrangell Forest Products, Ltd., Ketchikan *Wood Products*	342
44	tie *	Wards Cove Packing Co. Inc., Naknek *Seafood Processing*	337
44	tie *	Fairbanks Enterp. Partnership, Anchorage *Retail-eating establishments*	337
46	tie 43	Chugach Electric Assoc. Inc., Anchorage *Electric Utility*	326
46	tie *	Key Bank of Alaska, Anchorage *Banking*	326
48	*	Alaska Petroleum Contractors, Anchorage *Oil Field Services*	324
49	42	Anchorage Westward Hilton, Anchorage *Hotel*	323
50	44	Our Lady of Compassion Care Ctr., Anch. *Health Care*	315

* New Firms in 1988 Top 50
** Name change from Servair in late 1987

Table 2

Top 50 Companies Owned and Based in Alaska

Top 50 Rank		
2	Carr-Gottstein Inc.	2,378
5	VECO Inc.	1,003
7	National Bank of Alaska	926
14	MarkAir	698
17	First National Bank of Anchorage	628
20	Alaska USA Federal Credit Union	540
23	Alliance Bank	468
28	Tanana Chiefs Conference Inc.	400
30	Klukwan Forest Products	397
33	Captain Cook Hotel	378
35	Burger King	371
38	Yukon Kuskokwim Health Corp.	363
42	Anchorage Times Publishing Co.	343
43	Wrangell Forest Products Ltd.	342
44	Fairbanks Enterprises Partnership	337
46	Chugach Electric Association Inc.	326
48	Alaska Petroleum Contractors Inc.	324
49	Anchorage Westward Hilton Corp.	323

Source: Alaska Department of Labor, Research & Analysis

Movement among the Trends 50 reflects the mid-80's recession.

diverse areas as Bethel, Dutch Harbor and Fairbanks.

. . . But Trends 50 Have Worksites Throughout The State

The Trends 50 employers' presence are felt throughout the state. Almost all have operations in more than one location, and these locations include more than 50 Alaska communities. For example, National Bank of Alaska's 926 employees worked in 32 sites. Alascom's 822 employees were stationed in 48 different communities while Alaska Commercial Company staff were in 21 locations. By contrast, there are a few employers whose staff all work in one community, such as Providence Hospital's 1,650 employees or The Captain Cook Hotel's 378 employees who are all based in Anchorage.

All Industries Except Construction Included in Trends 50

The Trends 50 are not only geographically diverse but they also cover most sectors of the economy. This year's list includes firms involved in mining, manufacturing, T.C.U. (transportation, communications and utilities), trade, finance and services. (see Figure 1) The construction sector, represented by one firm in the last July's Trends 50 article, is the only industry missing from this year's list.

Service and Manufacturing Sectors Lead the List

The services sector is tied with manufacturing for having the most companies (11) in the Trends 50. This is not surprising considering that jobs in the service industry are 30% of all private sector employment. Services accounted for the second-highest employment (6,378) among the Trends 50. However, these 11 firms account for only 15% of total services employment, the smallest industry share of any Trends 50 category. (see Figure 2)

Large service employers include three hotels, two nonprofit organizations, and a radar station operator. A commentary on the mid-80s recession can be obtained by observing the movement of certain companies in the Trends 50: one service organization, the Salvation Army, steadily moved up in the Trends 50 rankings — #50 in 1986, #40 in 1987, #29 in 1988. During the same period, Spenard Builders, a retailer serving the construction industry, steadily declined —#27 in 1986, #46 in 1987, out of the Trends 50 in 1988.

Five service employers in the Trends 50 deliver health care. Together, they employ more than 40% of all workers in the health care industry. Because of the nature of the service they provide, these firms employ staff on an around-the-clock basis. Staffing three shifts a day, every day of the year, shows up in the statistics: Anchorage's two private hospitals — Providence and Humana — along with the Fairbanks-based Lutheran Hospital rank in the top 20 of the Trends 50 list for the 4th year in a row.

Figure 1

TRENDS 50 EMPLOYERS BY INDUSTRY

MINING

ARCO Alaska Inc.
BP Exploration Inc.
VECO Inc.
Union Oil Co. of California
Alaska Petroleum Contractors Inc.

FINANCE,
INSURANCE & REAL ESTATE

National Bank of Alaska
First National Bank of Anchorage
Alaska USA Federal Credit Union
Alliance Bank
Key Bank of Alaska

TRANSPORTATION,
COMMUNICATION & UTILITIES

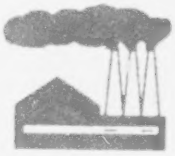
Alyeska Pipeline Service Co.
Alascom Inc.
Alaska Airlines Inc.
MarkAir
ERA Aviation Inc.
Sea Land Freight Services
Dynair Services Inc.
Chugach Electric Association Inc.

TRADE

Carr-Gottstein Inc.
Safeway Stores Inc.
Fred Meyer Shopping Centers
Sears, Roebuck & Co.
Nordstrom Inc.
J. C. Penney Co.
Alaska Commercial Company
Burger King
Lamonts Inc.
Fairbanks Enterprises Partnership

SERVICES

Providence Hospital
Lutheran Hospital & Homes Society
Westmark Hotels Inc.
Humana Hospital Alaska Inc.
Tanana Chiefs Conference Inc.
Salvation Army Alaska Division
Captain Cook Hotel
Felec Services Inc.
Yukon Kuskokwim Health Corp.
Anchorage Westward Hilton Corp.
Our Lady of Compassion Care Center



MANUFACTURING

Ketchikan Pulp Mill
Trident Seafoods
Icicle Seafoods
International Seafoods
Alaska Pulp Corp.
Klukwan Forest Products
Anchorage Daily News
North Pacific Processors
Anchorage Times Publishing Co.
Wrangell Forest Products
Wards Cove Packing Co.

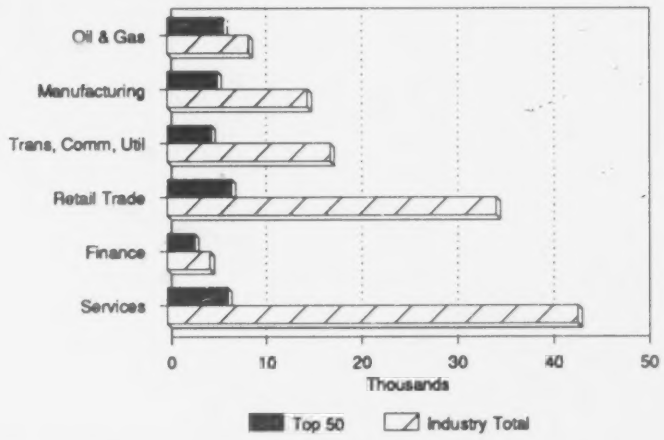
Nine of the 11 manufacturing firms in the Trends 50 deal with timber and fish. The four companies producing lumber and paper products employ over half of all workers in this sector. The five seafood processors in the Trends 50 account for 1/3 of total seafood processing employment. The two daily Anchorage newspapers make up the rest of the manufacturers in the Trends 50 for 1988. As a group manufacturing increased their share of Trends 50 employment to 17% (see Figure 3) from 12.3% in 1987.

Mining and Finance Sectors Small but Mighty

The two industries with the smallest number of firms in the Trends 50 are mining and finance-insurance-real estate (F.I.R.E.). However, they are also two of the smallest sectors, employment-wise, in Alaska's economy. In 1988, mining and F.I.R.E. made up, respectively, 6.5% and 7.3% of all nongovernment employment.

Figure 2

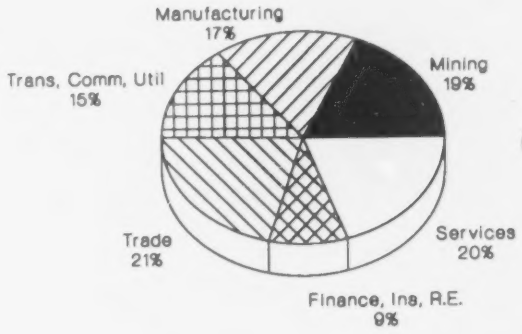
Industry Employment Top 50 and Total — 1988



Source: Alaska Department of Labor, Research & Analysis

Figure 3

Top 50 Employment by Industry — 1988



Source: Alaska Department of Labor, Research & Analysis

The five firms in the finance, insurance and real estate industry are either banks or credit unions. They account for 65% of all employment in the finance portion of this industry. Three of the firms — National Bank of Alaska, First National Bank of Anchorage, and Alaska USA — have consistently appeared in the Trends 50 since it was first published in 1985. The other two — Alliance and Key Bank of Alaska — were formed by mergers and reorganization of other banks. As such, they reflect the turmoil seen in Alaska's financial industry in the past three years. This turmoil continued into 1989 with the closing of Alliance in April.

The largest private employer in 1988 came from the oil and gas sector of the mining industry. ARCO Alaska Inc. had the highest annual average employment at 2,774. They also ranked number one in each of the prior three years. The other four Trends 50 employers from the mining industry are also in the oil and gas sector. These five companies dominate the oil and gas industry, providing 62% of its jobs. The oil field service company VECO Inc. has steadily climbed in employment and ranking, from 11 in 1985 to 5 in 1989. Although no hard rock mining companies are listed, this may change in the future if the current boom in hard rock mining continues.

Transportation and Trade Round Out the Trends 50

The eight firms in the transportation, communications and utilities category are a varied group. Half are air carriers or linked to the air industry. This is not surprising in a state so reliant on air transportation, whose largest city bills itself as the "Air Crossroads of the World".

Nine firms in trade — more specifically, retail trade — round out the Trends 50 employers. All nine have appeared in the Trends 50 list previously. As a group, their employment grew 6% in 1988 after suffering a 7.2% decrease in 1987. But they have a smaller slice of the 1989 "Trends 50 pie" — 21% of total Trends 50 employment rather than the 25.8% posted last year. The Carr-Gottstein enterprise (which includes other Carr-Gottstein companies in addition to the grocery chain) is the number two employer in the state for the fourth consecutive year. The second largest retailer, Safeway Stores, employs less than half the staff that Carr-Gottstein does.

New Companies in Trends 50 for Varied Reasons

There are ten new names in the Trends 50 this year. (see Table 3.) Some are companies whose employment has

Table 3

Top 50 Arrivals and Departures for 1988

New Firms	Displaced Firms
Alaska Petroleum Contractors	All Alaskan Seafoods
Alliance Bank 1/	Anchorage Cold Storage
ERA Aviation	Long Island Development Inc.
Fairbanks Enterprises 2/	McDonald's 2/
Key Bank 3/	Pay N Save
Klukwan Forest Products 3/	Sheffield Enterprises 4/
North Pacific Processors 3/	Spenard Builders
Wards Cove Packing Co 3/.	Transportation & Marketing Systems
Westmark Hotels 4/	Wilsyk Alaska
Yukon Kuskokwim Health Corp.	Yukon Office Supply

1/ New bank formed in late 1987 by merging United Bank Alaska and Alaska Mutual Bank.

2/ The McDonald's franchise was sold and divided; Fairbanks Enterprises owns the Anchorage and Mat-Su McDonald's franchises.

3/ Due to a change in company structure, more employees are being included in the reports submitted to AK DOL under this company name.

4/ Sheffield Enterprises was purchased by Holland/America Westours, operating as Westmark Hotels.

grown; a majority made the list due to structural change within an organization or a merger of some type.

Jobs at Wards Cove Packing, a seafood processor in several small Alaskan communities, grew from an annual average of 8 in 1987 to 337 in 1988. But the "growth" was actually a reorganization which caused employees previously under other firm names to be included as employees of Wards Cove Packing.

Other firms had employment increases due to steady growth of their organization. Usually, these companies are in an industry which is enjoying economic growth. For example, Alaska Petroleum Contractors, serving the oil fields, has grown along with increased oil exploration activity.

Firms Drop Out for Different Reasons

Ten companies which ranked among the state's 50 largest employers based on 1987 annual average employment are missing from the Trends 50 list for 1988. Their departure varied across industries, but trade suffered the most with five firms dropping out. Some had just enough of a decline in employment to bump them off the list (for example, two of the missing retailers rank 51st and 52nd). The absence of one retail firm, Spenard Builders, is a commentary on the condition of Alaska's construction industry. Other

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firms are missing for reasons such as a company reorganization or buyout. Mining and finance are the two industries which did not lose at least one employer on the Trends 50 list.

Summary

The Trends 50, Alaska's 50 largest private employers, are a varied lot. They represent every industrial group except construction and they range in size from just over 300 to more than 2,700. Although only a small fraction of the firms in the state, the Trends 50 employ almost a quarter of the private sector wage and salary work force. Most of the Trends 50 are neither Alaska-based nor Alaskan-owned, but a majority claim Anchorage as their Alaska "home base". Nevertheless, their presence in Alaska's communities is widespread.

Some of the Trends 50 firms dominate their respective industries — for example, more than half of the jobs in the oil and gas industry are in the Trends 50. The Trends 50 may be large but they are also a changeable group, with ten new players on the 1988 list. After losing employment for the past two years, their overall picture finally brightened in 1988. One thing is certain — these employers wield a major influence on Alaska's employment scene.

Definitions and Explanations

Employment data were obtained from the unemployment insurance reports. Employment figures reported are the total number of people working during the payroll period which includes the 12th of each month regardless of how many hours they worked.

Annual average employment is calculated by summing the 12 monthly figures reported to the Alaska Department of Labor and dividing the total by 12.

Total employment of a parent company will not be captured, and therefore not appear in the Trends 50, if subsidiaries file unemployment insurance reports under separate account numbers.

Confidentiality laws protect employment information. Therefore it was necessary to receive written permission from each employer to release their employment information. We would like to thank the 50 employers in this article for their cooperation, without which this article would not have been possible.

This article ranks the top 50 companies based on 1988 average annual employment. The July 1988 article ranked companies based on 1986 average employment since only 6 months of 1987 data were available at the time. However, companies appear in the "Arrivals and Departures" table based on their change in average annual employment from 1987 to 1988.

Oil Spill Causes an Upward Revision in Employment Forecast

By Neal Fried

In Alaska's pre-spill economy we forecast that employment would grow 1.4% in 1989. Although this rate of growth would not have been impressive, it would have been a welcome change from the previous three years. Instead, Alaska's economy is now chugging along at twice that rate, mostly because of the thousands of workers hired to work on the oil spill cleanup.

Unemployment Rate Accelerating Downward

The unemployment rate was inching down in Alaska's pre-oil spill economy, but now it's sliding fast. May's unemployment rate of 7.7% is the lowest recorded for that month in the past 15 years. Just a year ago the unemployment rate stood at the double digit level of 10%. One of the most dramatic improvements in the unemployment rates has taken place in the Valdez-Cordova census area where the unemployment rate has been sliced by more than half. Other areas in the state have also registered noticeable improvements in their unemployment rates. (see Table 4)

1989—Finally a Better Year for the Job Seeker

Signs are pointing to a tightening labor market

A growing contingent of employers are reporting difficulty locating workers. Many have raised wages to keep their existing employees and to attract new workers. Job Service offices throughout the state are experiencing growth in the number of job placements and they report increasing difficulty filling all of their job openings. The number of column inches in the "Help Wanted" sections of newspapers is increasing. What this adds up to is Alaska's job seekers — particularly those in Southcentral Alaska — are finding some reprieve after a string of bad years.

All of these signs, accompanied by a falling unemployment rate point to a tightening labor market. Under these circumstances, there are normally benefits for those seeking employment opportunities and those who are already in the labor force, among them:

- People who were having difficulty finding viable employment opportunities may no longer have to leave the state to find employment.
- There are more employment options for skilled workers.
- Fewer workers have to seek employment at close to minimum wages because of the competition for workers.
- Many workers who previously found only part-time employment are now finding full-time opportunities.
- The time spent job hunting has been shortened.
- Promotions come more quickly because of turnover in the labor market.

Table 1

Nonagricultural Wage and Salary Employment By Place of Work

Alaska

	p/ 5/89	r/ 4/89	5/88	Changes from: 4/89	Changes from: 5/88
Nonag. Wage & Salary	220,900	213,300	212,800	7,600	8,100
Mining	10,300	10,300	9,500	0	800
Construction	8,400	7,200	8,900	1,200	-500
Manufacturing	14,000	12,900	14,300	1,100	-300
Seafood Processing	6,900	6,200	7,200	700	-300
Lumber & Paper Products	3,700	3,400	3,700	300	0
All Other Manufacturing	3,400	3,300	3,400	100	0
Trans., Comm. & Utilities	22,100	18,500	17,200	3,600	4,900
Trucking & Warehousing	2,400	2,200	2,100	200	300
Water Transportation	5,400	2,700	1,100	2,700	4,300
Air Transportation	5,700	5,400	5,400	300	300
Communications	3,200	3,200	3,300	0	-100
All Other Transportation	5,400	5,000	5,300	400	100
Trade	43,200	41,600	42,400	1,600	800
Wholesale	7,700	7,400	7,500	300	200
Retail	35,500	34,200	34,900	1,300	600
Gen. Merch. & Apparel	5,100	4,900	4,700	200	400
Food Stores	6,400	6,100	6,100	300	300
Eating & Drinking Places	13,200	12,800	13,200	400	0
All Other Retail	10,800	10,400	10,900	400	-100
Finance, Insurance & Real Estate	10,600	10,600	10,600	0	0
Services	43,800	42,900	43,200	900	600
Hotels & Other Lodging	4,700	4,200	4,600	500	100
Government	68,500	69,300	66,700	-800	1,800
Federal	17,900	17,400	17,800	500	100
State	19,700	21,000	18,700	-1,300	1,000
Local	30,900	30,900	30,200	0	700

Notes: Prepared in cooperation with the U.S. Bureau of Labor Statistics.

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark date: March 1988

p/ denotes preliminary estimates
r/ denotes revised estimates

Source: Alaska Department of Labor, Research & Analysis.

- Employers are now more willing to hire those who find it most difficult to find employment.

The above scenarios are all employment conditions largely absent from the Alaska employment scene during most of the past three years.

Better Job Market Translates into Worker Shortage

Because of the improving economic picture a growing number of Alaska's employers are having difficulty finding qualified applicants. Employers suffering most from this situation are those offering low-wage and low-skilled opportunities.

However, shortages are no longer limited to just the low wage jobs. Some technical and profession openings are also attracting fewer applicants. A partial list of these increasingly difficult-to-fill openings includes nurses, certified auto mechanics, aircraft mechanics, civil engineers, legal secretaries and many of the clerical professions.

Reasons for Shortages go Beyond the Oil Spill

The massive mobilization of oil spill workers has contributed to these shortages, but is not the only reason for them. Shortages were already appearing before the Good Friday oil spill. The situation in Alaska mirrors what is happening in the nation's labor market.

The national economy is entering its seventh straight year of expansion and the labor market has been growing increasingly tight. Compounding this problem is the nation's demographic picture. A shrinking number of younger workers has been entering the labor market in the 1980s. The U.S. Department of Labor estimates there will be 700,000 fewer 16-24 year-olds looking for work this summer than last year.

It is this younger group of job seekers that make up the largest contingent of workers who migrate to Alaska. Now there are simply fewer of them. There are fewer because of their smaller

numbers, but also because Alaska is no longer the employment mecca it once was. The legacy of the recent recession discourages some job seekers. The other, possibly more important, point is that there are abundant employment opportunities elsewhere in the country where these young workers can seek their fortune.

Oil Spill Update

With the national picture and Alaska's shortages as a background, we will now focus on May's employment scene. The biggest boost in May's employment numbers appeared in water transportation, where all of the direct oil spill cleanup workers—both Norcon and VECO employees — are being counted. (see Table 1) Employment in water transportation grew from 1,119 in May of 1988 to 5,400 in May of 1989—a 383% increase. Not included in our employment numbers are many of the crew members in the 628 vessels Exxon has contracted with to aid the spill cleanup.

More than 80% of the direct employment is in the Gulf Coast region, which includes the Kodiak Island Borough, the Kenai Peninsula Borough and the Valdez-Cordova census area. (see Table 2) Gulf Coast's employment presently stands 22.5% above year-ago levels (see Figure 1). This compares to a 3-4% growth rate before the spill. The spill is affecting almost all of the region's industries. A shortage of non oil-spill related workers became so critical for many local businesses in Valdez, Cordova and Seward that Exxon began providing transportation from Anchorage and Fairbanks for people willing to fill these jobs. Exxon is also providing housing for many of these workers.

No precise numbers exist for the spill-related jobs created in Anchorage during the past three months, but it is undoubtedly considerable. In some respects the economic impacts of the oil spill are analogous to a large construction project that takes place elsewhere in the state. Not only do many of the workers originate in Anchorage, but many of the contractors and suppliers are also Anchorage-based. VECO and Exxon headquarters are also in Anchorage.

The Port of Anchorage has been busy providing logistical support for the spill cleanup activity, shipping 800 tons weekly in groceries alone for VECO. This helped boost Anchorage's water transportation employment by 37% over year-ago levels.

Although the spill contractors have used vendors from around the state, most of the economic impact in the remainder of the state will be limited to wages local residents bring back to spend in their local economies. The specific geographic impacts are presently difficult to access, but in some areas it could prove to be quite substantial.

Mining Industry Boosted by Oil & Gas, Red Dog & Green's Creek

May's employment growth was not all related to the oil spill cleanup. The mining industry continued to push ahead on both the petroleum and hard rock fronts. Oil industry employment in May registered 7% above year-ago levels.

Other mining employment is up 24%. Hard rock activity is dominated by two new mines — Greens Creek, 15 miles southwest of Juneau, and Red Dog, 70 miles northwest of Kotzebue. Greens Creek is now in its fourth month of operation, employing approximately 220 workers. Red Dog is still in its construction phase, so jobs there are presently being reported in construction.

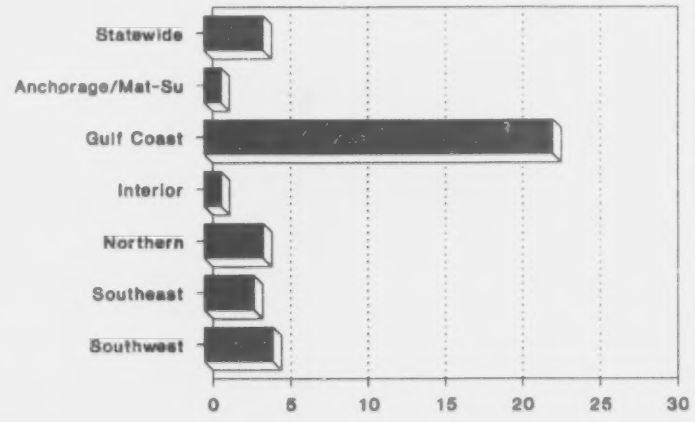
Hard rock exploration activity is also contributing to the industry's upbeat employment picture. The value of 1988s exploration activity reached $46 million, a three-fold increase over 1987. By most accounts 1989 should be at least as good as 1988.

The most promising prospects appear to belong to Echo Bay Mines Ltd. They are planning on redeveloping the old A-J gold mine near downtown Juneau and the Kensington Mine near Berners Bay (which is not far from Juneau). The A-J mine would employ almost 500 workers and the Kensington Mine's work force could be as large as 250-300 by 1990 or 1991 when these projects are developed. Other promising mining prospects in Southeast are also being considered. Greens Creek may have opened the door for a mining boom in Southeast Alaska.

Not all the news in the hard rock mining business is upbeat. The Valdez Creek Mine, the state's largest placer mining operation, recently announced it was going to shut down its operations in September and would not reopen until gold prices climb above $400 per ounce. Gold prices have fallen to approximately $370. They will be laying

Figure 1

Employment Growth by Region
Percent Change for May, 1988 vs. 1989



Source: Alaska Department of Labor, Research & Analysis

Table 2

Nonagricultural Wage and Salary Employment By Place of Work

Anchorage Borough

	p/ 5/89	r/ 4/89	Changes from: 5/88	4/89	5/88
Nonag. Wage & Salary	101,600	100,450	100,400	1,150	1,200
Mining	3,750	3,750	3,300	0	450
Construction	3,700	3,300	4,300	400	-600
Manufacturing	2,700	2,550	2,700	150	0
Trans., Comm. & Utilities	9,700	9,200	9,200	500	500
Trucking & Warehousing	1,600	1,450	1,250	150	350
Water Transportation	500	400	350	100	150
Air Transportation	3,400	3,300	3,350	100	50
Communications	1,800	1,800	1,800	0	0
All Other Transportation	2,400	2,250	2,450	150	-50
Trade	24,850	24,550	24,000	300	850
Wholesale	5,750	5,700	5,600	50	150
Retail	19,100	18,850	18,400	250	700
Gen. Merch. & Apparel	2,450	2,450	2,350	0	100
Food Stores	3,050	3,000	2,750	50	300
Eating & Drinking Places	7,800	7,650	7,600	150	200
All Other Retail	5,800	5,750	5,700	50	100
Finance, Insurance & Real Estate	6,900	6,950	7,150	-50	-250
Services	24,500	24,200	24,350	300	150
Government	25,500	25,950	25,400	-450	100
Federal	10,000	9,800	10,200	200	-200
State	6,850	7,550	6,500	-700	350
Local	8,650	8,600	8,700	50	-50

Fairbanks North Star Borough

	p/ 5/89	r/ 4/89	Changes from: 5/88	4/89	5/88
Nonag. Wage & Salary	25,850	25,150	25,550	700	300
Mining	150	150	150	0	0
Construction	1,500	1,250	1,500	250	0
Manufacturing	600	600	600	0	0
Trans., Comm. & Utilities	1,900	1,750	1,800	150	100
Trucking & Warehousing	400	400	350	0	50
Air Transportation	300	250	300	50	0
All Other Transportation	1,200	1,100	1,150	100	50
Trade	5,850	5,450	5,950	400	-100
Wholesale	700	700	750	0	-50
Retail	5,150	4,750	5,200	400	-50
Food Stores	750	750	750	0	0
All Other Retail	4,400	4,000	4,450	400	-50
Finance, Insurance & Real Estate	750	750	800	0	-50
Services	5,700	5,550	5,650	150	50
Government	9,400	9,650	9,100	-250	300
Federal	2,850	2,750	2,800	100	50
State	3,900	4,250	3,650	-350	250
Local	2,650	2,650	2,650	0	0

Anchorage-MatSu Region

	p/ 5/89	r/ 4/89	Changes from: 5/88	4/89	5/88
Nonag. Wage & Salary	107,950	106,600	106,850	1,350	1,100
Mining	3,750	3,800	3,300	-50	450
Construction	3,950	3,550	4,500	400	-550
Manufacturing	2,800	2,600	2,800	200	0
Trans., Comm. & Utilities	10,350	9,800	9,800	550	550
Trade	26,200	25,700	25,550	500	650
Finance, Insurance & Real Estate	7,250	7,350	7,550	-100	-300
Services	25,450	25,100	25,550	350	-100
Government	28,200	28,700	27,800	-500	400

Interior Region

	p/ 5/89	r/ 4/89	Changes from: 5/88	4/89	5/88
Nonag. Wage & Salary	29,850	28,850	29,500	1,000	350
Mining	350	300	300	50	50
Construction	1,600	1,300	1,650	300	-50
Manufacturing	600	600	600	0	0
Trans., Comm. & Utilities	2,250	2,100	2,150	150	100
Trade	6,250	5,750	6,300	500	-50
Finance, Insurance & Real Estate	800	800	850	0	-50
Services	6,250	6,100	6,200	150	50
Government	11,750	11,900	11,450	-150	300

Notes: Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark date: March 1988 p/ denotes preliminary estimates r/ denotes revised estimates

Source: Alaska Department of Labor, Research & Analysis

(cont. on page 13)

Table 2

(cont. from page 12)

Nonagricultural Wage and Salary Employment By Place of Work

Southeast Region

	p/ 5/89	r/ 4/89	Changes from: 5/88	4/89	5/88
Nonag. Wage & Salary	32,000	31,050	30,950	950	1,050
Mining	250	250	200	0	50
Construction	1,150	1,000	1,100	150	50
Manufacturing	4,950	4,800	5,100	150	-150
Seafood Processing	1,200	1,400	1,200	-200	0
Lumber & Paper Prod.	3,500	3,100	3,600	400	-100
All Other Manufacturing	250	300	300	-50	-50
Trans., Comm. & Utilities	2,350	2,150	2,250	200	100
Trade	5,200	4,800	4,850	400	350
Wholesale	500	450	400	50	100
Retail	4,700	4,350	4,450	350	250
Finance, Insurance & Real Estate	1,000	1,000	1,000	0	0
Services	5,150	4,950	4,900	200	250
Government	11,950	12,100	11,550	-150	400
Federal	2,000	1,950	2,000	50	0
State	5,350	5,500	5,100	-150	250
Local	4,600	4,650	4,450	-50	150

Southwest Region

	p/ 5/89	r/ 4/89	Changes from: 5/88	4/89	5/88
Nonag. Wage & Salary	13,750	12,950	13,100	800	650
Seafood Processing	2,800	2,300	2,650	500	150
All Other Private	4,500	4,350	4,450	150	50
Government	6,450	6,300	6,000	150	450
Federal	1,300	1,300	1,250	0	50
State	600	550	450	50	150
Local	4,550	4,450	4,300	100	250

Gulf Coast Region

	p/ 5/89	r/ 4/89	Changes from: 5/88	4/89	5/88
Nonag. Wage & Salary	23,850	20,300	19,450	3,550	4,400
Mining	850	800	850	50	0
Construction	800	700	800	100	0
Manufacturing	2,750	2,500	3,100	250	-350
Seafood Processing	2,050	1,800	2,450	250	-400
All Other Manufacturing	700	700	650	0	50
Trans., Comm. & Utilities	5,650	3,050	1,350	2,600	4,300
Trade	3,850	3,550	3,750	300	100
Wholesale	550	500	550	50	0
Retail	3,300	3,050	3,200	250	100
Finance, Insurance & Real Estate	550	550	550	0	0
Services	3,700	3,400	3,450	300	250
Government	5,700	5,750	5,600	-50	100
Federal	500	500	550	0	-50
State	1,750	1,800	1,550	-50	200
Local	3,450	3,450	3,500	0	-50

Northern Region

	p/ 5/89	r/ 4/89	Changes from: 5/88	4/89	5/88
Nonag. Wage & Salary	13,400	13,400	13,000	0	400
Mining	4,850	4,950	4,900	-100	-50
All Other Private	4,100	3,950	3,750	150	350
Government	4,450	4,500	4,350	-50	100
Federal	350	350	350	0	0
State	350	350	350	0	0
Local	3,750	3,800	3,650	-50	100

Notes: Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark date: March 1988 p/ denotes preliminary estimates r/ denotes revised estimates

Source: Alaska Department of Labor, Research & Analysis

Table 4

Alaska Hours and Earnings for Selected Industries [1/2]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	p/ 5/89	r/ 4/89	5/88	p/ 5/89	r/ 4/89	5/88	p/ 5/89	r/ 4/89	5/88
Mining	$1,085.04	$1,077.75	$1,182.06	48.7	47.9	49.5	$22.28	$22.50	$23.88
Construction	109.89	1,082.51	988.29	46.4	46.4	41.7	23.92	23.33	23.70
Manufacturing	588.99	607.42	497.76	45.8	48.4	36.6	12.86	12.55	13.60
Seafood Processing	434.15	454.64	295.20	48.4	51.9	32.8	8.97	8.76	9.00
Lumber & Paper Prod	773.16	797.23	672.26	45.4	48.2	40.4	17.03	16.54	16.64
Trans., Comm. & Utilities	584.05	589.88	563.29	35.7	36.3	34.9	16.36	16.25	16.14
Trade	381.42	384.13	356.43	34.3	34.7	32.7	11.12	11.07	10.90
Wholesale	519.30	524.19	487.88	38.1	38.8	37.3	13.63	13.51	13.08
Retail	335.28	338.01	311.62	33.0	33.4	31.1	10.16	10.12	10.02
Finance-Ins. & R.E	407.89	412.55	400.62	35.5	37.1	34.3	11.49	11.12	11.68

Notes: p/ denotes preliminary estimates r/ denotes revised estimates Benchmark: March 1988

1/ Prepared in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor.

2/ Excludes eating and drinking establishments.

Averages are based on data for full- and part-time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours.

off almost 174 workers. Red Dog's opening in late summer will more than make up for these losses, but it could mean a considerable slow down in hard rock mining employment growth.

Trade and Services are Growing Guardedly

Neither trade nor services exhibited the spirited growth of the mining industry, but their May employment was above the previous May's. Grocery stores, general merchandisers and health services are leading the way in these two industries.

Growth in the personal income figures continued to breathe new life into both of these industries. Personal income grew by 2.9% during the first quarter of 1989. Some of the stimulus is also spill induced. One economist estimated that the oil spill activity will add 1-2% to Alaska's personal income. A VECO source reported that they have already spent $120 million with 965 different Alaskan vendors.

Fish Processing Down Compared to May 1988

Fish processing, one of the employment growth leaders during the past three years, registered its first over-the-year declines in May. For most regions, fish processing employment either grew slightly or held its own in May, but the Gulf Coast region sustained losses large enough to tip the state's total processing picture below last May's levels.

Processors in the Gulf Coast were not as busy in May as usual because the oil spill prompted the closure of a number of herring fisheries. In addition, the Gulf of Alaska's first halibut opening netted a harvest about half of last year's. Bad weather and fewer boats both contributed to the smaller catch. The truly good news was that there were no signs of oiled halibut. And future halibut openings may bring total catch closer to 1988 levels.

Other good news included an announcement by Westward Seafoods Inc. that they will build a $70 million bottomfish and crab-processing plant in Unalaska. The plant should be complete by late 1990 and employ 250 workers. This plant will be the third major bottomfish processor in Unalaska and will help sustain that community's growth in the bottomfishing arena.

May's fish processing declines could simply could be a monthly aberration. The salmon season will be the telltale of Alaska fisheries for 1989. There are concerns that a number of salmon fisheries will be shut down or curtailed because of the presence of oil. There are also indications that salmon prices will be considerably lower this year. Fishermen and processors are keeping their fingers crossed.

Construction Employment Shrinks Further

Construction projects in Alaska have taken on an almost tourist attraction-like quality because they have become so scarce. And employment in this industry continues to shrink. To find equivalent levels of construction activity one has to reach back to 1973, when Alaska's labor force was less than half its present size.

Construction employment did show a seasonal increase in May of 1,200 more jobs than in April. A large share of this spring activity came as the result of a few large projects moving into high gear. Alyeska Pipeline Company's $78 millon worth of maintenance work on the trans-Alaska pipeline is one of those projects. It represents the company's largest construction venture in ten years. Almost 300 workers were on the project in May and their numbers are expected to climb to a peak of 500 this summer.

Work constructing the Red Dog lead and zinc mine went into full swing in May. Employment climbed to 400 and will peak at over 600 in late summer. Military-related construction remains the bread and butter of today's construction industry at close to last year's levels.

State Budget Helps Firm Up 1989s Prospects

Many analysts had expected the state's FY 1990 operating budget to decline. But better than expected oil prices helped support a budget little changed from FY 1989. This means that state government will probably continue to sustain employment levels approximately 6% above 1988. It also means the employment picture for local governments is in many cases brighter than expected, since such a large share of their revenue comes out of the state budget.

Oil Spill Boom Grows in the Gulf Coast

As the oil spill spread so have the economic consequences. Valdez and Cordova were the first towns to experience the impact, but it soon spread to Kodiak and communities on the Kenai Peninsula such as Seward and Homer. The entire Gulf Coast region has been enveloped in spill cleanup activity; employment numbers graphically illustrate these changes.

Services employment grew because hotels filled with oil spill workers earlier than the normal onslaught of the tourist season in June. Local governments hired additional employees to handle the burden of additional services. Jobs in trade pushed ahead as oil spill firms rushed to purchase supplies. For example VECO spent $1.5 million at just one Valdez vendor - Southcentral Hardware - by the end of May.

Economic Performance in Southeast Strong Without Spill Impacts

If we can imagine Alaska's economy without the oil spill, Southeast's employment picture would have been the brightest in the state. Mining activity and exploration is stimulating the region's economy. Fishing has been holding its own. The timber industry is on the rebound after a slow winter. Wrangell Forest Products mill also reopened in May, putting people back to work. The possibility of major state budget cuts in Southeast disappeared when the legislature passed the state budget. And the preliminary reports on tourism have been good. This all comes as no real surprise since Southeast's economy was already shaping up nicely in 1988.

Summary

Alaska's improving unemployment rate is an indication of a better job market and not just an exodus of the unemployed. Much, but not all, of the extra punch in the employment scene has come as a result of the spill cleanup effort. While job seekers are having better luck than in the recent past, employers now often have to scramble to find qualified applicants.

The Gulf Coast region is feeling the brunt of the economic effects of the spill, but Anchorage and to a lesser extent other areas of the state are also being impacted by spill cleanup activity.

Hard rock mining, the oil industry and state government are injecting new life into the economy independent of oil spill activity.

Before the oil spill the fishing industry was expected to contribute to Alaska's economic growth in 1989. Now the jury is still out on this season's fish harvest.

Southeast Alaska's economy, fairly insulated from the oil spill's effects, is performing quite vigorously.

For a variety of reasons, Alaska is seeing a spring with relatively strong economic growth.

Table 5

Labor Force By Region and Census Area

	Labor Force			Unemployment			Rate			Employment		
	p/ 5/89	r/ 4/89	5/88	p/ 5/89	r/ 4/89	5/88	p/ 5/89	r/ 4/89	5/88	p/ 5/89	r/ 4/89	5/88
Alaska Statewide	240,200	235,988	241,869	18,572	20,140	24,102	7.7	8.5	10.0	221,628	215,848	217,767
Anch.-MatSu Region	121,151	121,421	125,397	8,186	8,907	11,294	6.8	7.3	9.0	112,965	112,514	114,103
Anchorage Borough	107,728	108,043	110,896	6,346	6,858	8,913	5.9	6.3	8.0	101,382	101,185	101,983
MatSu Borough	13,423	13,378	14,501	1,840	2,049	2,381	13.7	15.3	16.4	11,583	11,329	12,120
Gulf Coast Region	29,451	26,107	25,977	2,385	2,699	3,346	8.1	10.3	12.9	27,066	23,408	22,631
Kenai Peninsula Borough	18,545	16,473	16,235	1,907	2,083	2,323	10.3	12.6	14.3	16,638	14,390	13,912
Kodiak Island Borough	6,462	5,712	5,741	222	315	523	3.4	5.5	9.1	6,240	5,397	5,218
Valdez-Cordova	4,444	3,922	4,001	256	301	500	5.8	7.7	12.5	4,188	3,621	3,501
Interior Region	34,642	34,377	35,999	3,755	4,168	4,857	10.8	12.1	13.5	30,887	30,209	31,142
Fairbanks North Star Bor.	29,708	29,454	30,869	2,959	3,292	3,900	10.0	11.2	12.6	26,749	26,162	26,969
Southeast Fairbanks	1,991	2,021	2,100	251	319	345	12.6	15.8	16.4	1,740	1,702	1,755
Yukon-Koyukuk	2,943	2,902	3,030	545	557	612	18.5	19.2	20.2	2,398	2,345	2,418
Northern Region	8,031	8,039	7,944	819	753	842	10.2	9.4	10.6	7,212	7,286	7,102
Nome	3,084	3,073	3,033	395	356	385	12.8	11.6	12.7	2,689	2,717	2,648
North Slope Borough	2,839	2,854	2,807	148	136	157	5.2	4.8	5.6	2,691	2,718	2,650
Northwest Arctic Borough	2,108	2,112	2,104	276	261	300	13.1	12.4	14.3	1,832	1,851	1,804
Southeast Region	34,660	34,170	34,223	2,645	2,800	2,575	7.6	8.2	7.5	32,015	31,370	31,648
Haines Borough	873	880	868	89	111	93	10.2	12.6	10.7	784	769	775
Juneau Borough	15,459	15,137	15,293	829	804	831	5.4	5.3	5.4	14,630	14,333	14,462
Ketchikan Gateway Bor.	6,375	6,302	6,250	513	558	455	8.0	8.9	7.3	5,862	5,744	5,795
Pr. of Wales-Outer Ketch.	2,714	2,692	2,710	345	370	368	12.7	13.7	13.6	2,369	2,322	2,342
Sitka Borough	4,094	3,909	4,038	267	159	255	6.5	4.1	6.3	3,827	3,750	3,783
Skagway-Yakutat-Angoon	1,666	1,648	1,656	246	257	253	14.8	15.6	15.3	1,420	1,391	1,403
Wrangell-Petersburg	3,479	3,602	3,408	356	541	320	10.2	15.0	9.4	3,123	3,061	3,088
Southwest Region	12,265	11,874	12,329	782	813	1,188	6.4	6.8	9.6	11,483	11,061	11,141
Aleutian Islands	3,341	3,215	3,341	49	44	147	1.5	1.4	4.4	3,292	3,171	3,194
Bethel	4,710	4,542	4,713	389	380	520	8.3	8.4	11.0	4,321	4,162	4,193
Bristol Bay Borough	457	441	454	31	31	41	6.8	7.0	9.0	426	410	413
Dillingham	2,169	2,133	2,153	116	156	161	5.3	7.3	7.5	2,053	1,977	1,992
Wade Hampton	1,588	1,543	1,668	197	202	319	12.4	13.1	19.1	1,391	1,341	1,349

Notes: p/ denotes preliminary estimates r/ denotes revised estimates Benchmark: 1988

- Federal guidelines require the use of unrounded labor force data, adjusted to be consistent with the Current Population Survey in formulas used to allocate federal funds.
- Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor.
- The official definitions of unemployment currently in place exclude anyone who has made no attempt to find work in the four-week period up to and including the week that includes the 12th of each month. Most Alaska economists believe that Alaska's rural localities have proportionately more of these discouraged workers.

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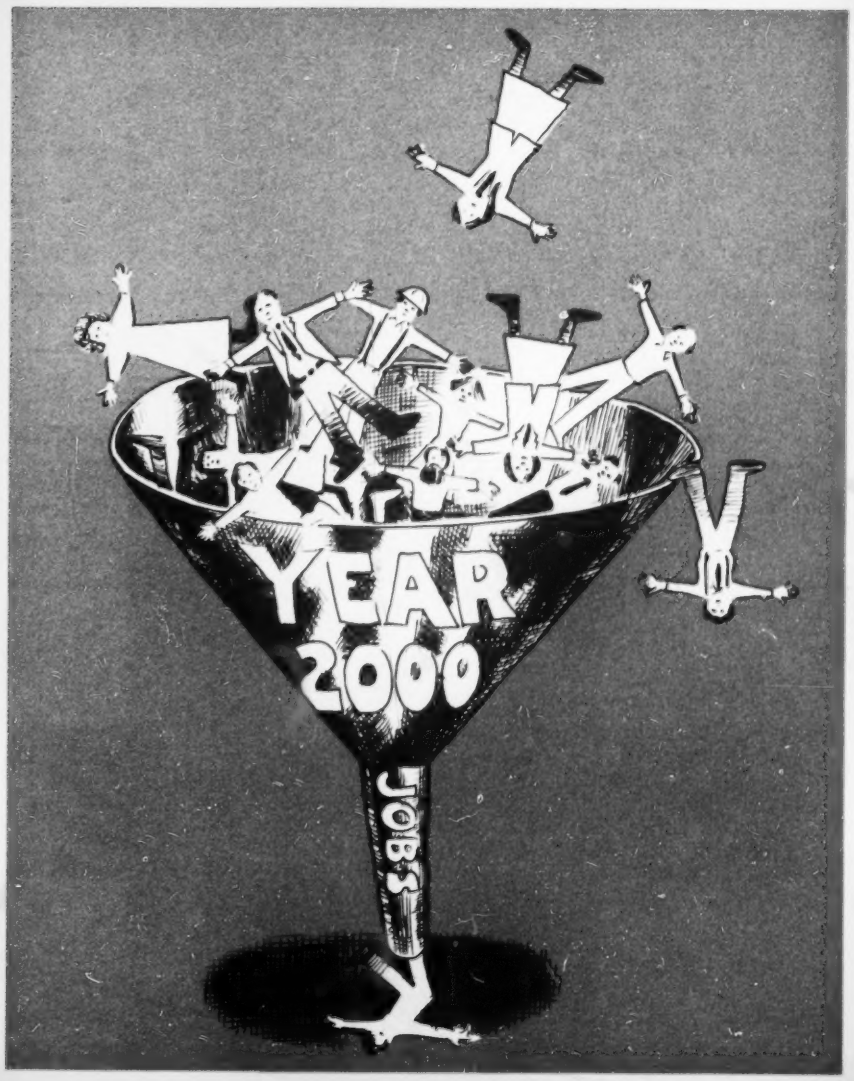

A Look Ahead to the Alaska Labor Force of the Year 2000

Employment Prospects in June Were the Best Ever for Job Searchers

September 1989

ALASKA DEPARTMENT OF LABOR STEVE COWPER, GOVERNOR

ALASKA ECONOMIC
TRENDS

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Alaska Economic Trends **is a monthly publication dealing with economic-related issues of Alaska. Opinions and analyses expressed by guest authors may not be consistent with those of the Alaska Department of Labor.**

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Cover Design by Jim Fowler

A Look Ahead to the Alaska Labor Force of the Year 2000

By F. Terry Elder

What's in store for Alaska employers, Alaska workers, Alaska women in the year 2000? Will government spending continue to influence the state's economy as greatly as it has in recent years? Will there be growth of jobs to match the growth in the labor force? /1

Based on a few certain assumptions (listed later in this article), it's likely in the year 2000 that:

- State government spending will not be the economic stimulant it has been in the past.
- Concerns about the federal deficit will limit the ability of the federal government to increase its spending in Alaska.
- Favorable foreign exchange rates will have a positive impact on Alaska's extractive industries.
- Retirement benefits and health care will be increasingly important issues for employers and workers alike.
- Older workers will play a greater role in part-time employment.
- Women will account for almost 50% of the labor force (up from 45.6% in 1987).
- This increasing importance of women in the labor force should continue to focus concern on issues generally identifed as important to women. These issues include equal opportunity and pay, sexual harassment, day care, flexible work hours, and health benefits.
- Women will have a more difficult time increasing their share of employment without making inroads in male-dominated occupational categories.
- The relative growth of the most productive part of the population between 1987 and 2000 implies that there will be a larger percentage of people to shoulder the costs associated with the very young and the older components of the population, such as costs of education and health care.
- Employment growth will be less than that required to accommodate the rise in the labor force resulting from the aging of those children who are in the 1987 population.

These highlighted predictions rely on population, labor force, and employment projections for Alaska for the year 2000, projections that bear further discussion.

State government will not be the economic stimulant it has been in the past.

/1 This article summarizes *Alaska 2000*, a 93-page publication recently published by the Alaska Department of Labor's (DOL) Research & Analysis Section. The publication projects Alaska's population, labor force, and employment for the year 2000. These projections are compared to historical trends and to U.S. Bureau of Labor Statistics projections of the national labor force. For a more detailed discussion contact DOL's Research & Analysis Section for a copy of *Alaska 2000*.

Labor Force Growth Predicted to be Slower in Coming Years

For the purpose of this analysis there exist two possible scenarios for the Alaska labor force of 2000. 'Case A' and 'Case B' scenarios are based on separate sets of employment estimates for 2000. While Case B employment growth is greater than that of Case A, both scenarios hold that there will be a slower rate of growth between 1987 and 2000 than seen in Alaska in recent decades.

Both Case A and Case B labor force projections — the specifics of which will be discussed more in detail later — were made before the Prince William Sound oil spill. The impact of the spill has probably made the Case B estimate less likely. Case B assumes the construction of a gas pipeline, and greater oil and gas employment, including development of the Arctic National Wildlife Refuge (ANWR). Case B is less likely to the extent that the oil spill has adversely affected these developments.

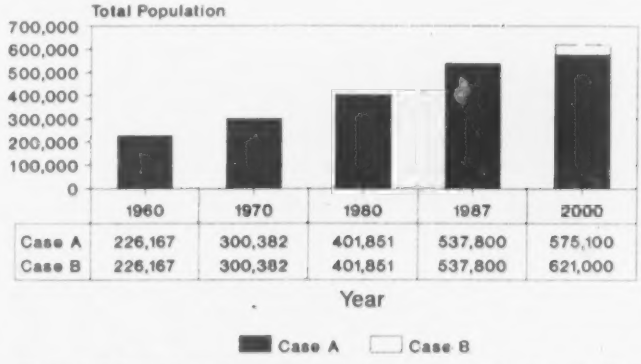
Following are the primary assumptions of the Case A labor force projection:

- The price of oil will remain in a range of about $15-$18 per barrel in real (inflation adjusted) terms.
- State and local government employment (and services) will be kept stable through the imposition of new taxes or the use of reserve monies.
- The foreign exchange rate of the U.S. dollar will remain favorable for U.S. exports.
- Growing at above average rates will be jobs in tourism, timber harvesting and processing, self-employment, and especially mining.

For the Case A scenario, these four assumptions result in a forecasted annual civilian employment growth of about 1.5% from 1987 to 2000. This is slightly greater than the projected national growth rate of 1.3%.

Figure 1

Alaska Total Population 1960-2000
Cases A & B

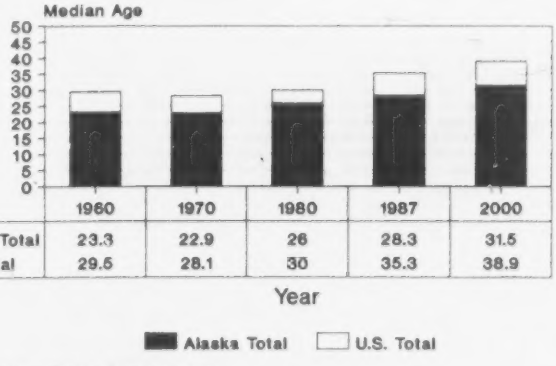


	1960	1970	1980	1987	2000
Case A	226,167	300,382	401,851	537,800	575,100
Case B	226,167	300,382	401,851	537,800	621,000

Note: Cases A & B are based on different civilian employment projections.
Sources: U.S. Census Bureau; Alaska Department of Labor, Research & Analysis Section.

Figure 2

Median Age of Total Population
Alaska & U.S. 1960-2000



	1960	1970	1980	1987	2000
Alaska Total	23.3	22.9	26	28.3	31.5
U.S. Total	29.5	28.1	30	35.3	38.9

Note: Based on Case A estimates.
Sources: U.S. Census Bureau; Alaska Department of Labor, Research & Analysis Section.

Population Growth Will Trail Employment Growth

The enduring rise in women's participation in the Alaska labor force, coupled with the aging of the Alaska population, point to a continuing increase in the ratio of employment to population. This means that any given level of employment in the year 2000 will be associated with a lower level of population. As a result, population growth will be less than employment growth.

Following are more specifics about what the population and labor force could be like in the year 2000.

Alaska Population Will Grow More Slowly than Rest of U.S.

For the Case A scenario, the estimated population in 2000 is 575,100. (See Figure 1.) This amounts to an annual growth rate of 0.52% between 1987 and 2000. This estimated population is based on a total civilian employment estimate of 294,829.

For Case B, the 1987-2000 annual growth rate is projected to be higher, 1.11%. This is based on an employment estimate of 316,341 and an estimated population of 621,000.